



Employee Performance and Effects of Appraisal Systems in Public and Private Banking

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DESCRIPTION

Any organization's ability to consistently produce sustained outcomes is becoming increasingly important to its success on a global scale. All resources are being directed by Human Resources (HR) management in order to fulfill this goal and please all organizational stakeholders. Performance management is viewed as a strategic method for achieving long-term organizational success the management and enhancement of both the performance of individual employees and teams. Due to the intense rivalry brought about by globalization, businesses now have to provide high-quality goods and services. Wherever to manage employee current performance while also enhancing their future performance is the key challenge for firms. In the past ten years, the function of human resource management in firms has changed significantly. Assuming transformational tasks and responsibilities HR has been getting more and more attention as a vital strategic partner. Organizations place a high importance on managing their human resources, and combining all human resource performance is essential for success. Performance of companies is now monitored on a monthly or quarterly basis rather than annually. Today's workforce must be extremely capable and dedicated.

Employees with high levels of commitment add an additional 57 percent of total of discretionary effort to their performance, which makes a huge difference. Employee performance management and organizational performance are connected by strategic HRM. Companies are putting more of an emphasis on "strategic HR," which unites human resources activities with the organization's overarching goals to increase economic performance. Corporate Performance Management (CPM) and Employee Performance Management (EPM) must be coordinated for an organization to succeed. High performance can be attained in organizations by designing and implementing the proper performance management systems. The banking industry is rapidly growing, and a good customer response is required. This can only be accomplished by putting in place the proper performance management tools.

Performance appraisal system

An employee's relative value is determined through the process of gathering, evaluating, and documenting performance data. Measuring and enhancing current performance as well as the employee's potential for the future is the main goals of the performance review. An employee's job performance and productivity are evaluated on a regular basis using a Performance Appraisal (PA), also known as a performance evaluation, which compares them to predetermined standards and organizational goals. Other elements include the behaviour of organizational citizens, room for future development, and strengths and shortcomings. Performance appraisal, according to Flippo, is the methodical, periodic, and objective assessment of an employee's proficiency in topics relevant to his current job and his potential for a better position. Assessing and evaluating an employee's performance during a specific time period and making plans for the future are done systematically through performance appraisal.

Strategic challenge: Performance evaluation is currently regarded as a general term including a variety of activities through which firms strive to analyze employees and increase their competence, boost performance, and give awards. Performance evaluation has increasingly been part of a more strategic approach to integrate HR activities and business policies. The narrow focus on psychometric and evaluation issues has thus given way to developmental performance appraisal, which can be described as any endeavour concerned with enhancing attitudes, experiences, and abilities that increases employee effectiveness. This is a chance for managers and staff to talk about accomplishments and development while also addressing any issues they may have with how well the staff is doing. Performance management offers the chance to enhance performance, establish and meet goals, discuss difficulties, give and receive feedback, and advance one's career. Performance management is frequently seen as a burdensome procedure, and evaluations will probably always have a little administrative vibe about them. To the advantage of the business and the staff, the procedure can be improved. Organizations must concentrate on persuading staff members, that performance

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management supervisors, and executives represents an opportunity if they wish to give their systems purpose. This is an opportunity to grow careers, set and achieve objectives, share obstacles, and enhance performance.

Banking industry challenges: Over the past 20 years, the banking sector in India has developed at an astounding rate. India's banking industry has been one of the very few to genuinely preserve resiliency while continuing to offer growth prospects as the rest of the world struggles with the effects of the global financial collapse. A survey on the Indian banking industry was done by Boston Consulting Group (BCG), Federation of Indian Chambers of Commerce and Industry (FICCI) and Indian Banks

Association (IBA) in 2010 to evaluate the competitive advantage provided by the banking sector as well as the policies and structures necessary to further accelerate the rate of growth. Nearly 69 percent of the respondents said the Indian banking industry was in very good to excellent shape, 25 percent thought it was in good shape, and only 6.25 percent thought the performance of the sector was only mediocre. The fact that 53.33 percent of respondents were confident in a growth rate of between 15 and 20 percent for the banking industry in 2009-2010 and a growth rate of more than 20 percent reflects this optimism.